



GAIL FARBER, Director

COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

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ALHAMBRA, CALIFORNIA 91803-1331
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ADDRESS ALL CORRESPONDENCE TO:
P.O. BOX 1460
ALHAMBRA, CALIFORNIA 91802-1460

June 9, 2009

IN REPLY PLEASE

REFER TO FILE: AS-0

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

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JUNE 9, 2009

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Dear Supervisors:

**AWARD OF CONTRACT FOR VIDEO DISTRIBUTION SYSTEM
FOR THE TRAFFIC MANAGEMENT SYSTEM IN THE CITIES OF DOWNEY,
SANTA FE SPRINGS, PICO RIVERA, NORWALK, SOUTH GATE, AND LA MIRADA,
AND THE UNINCORPORATED AREA OF SOUTH WHITTIER
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

**CIO RECOMMENDATION: APPROVE (X) APPROVE WITH MODIFICATION ()
DISAPPROVE ()**

SUBJECT

This action is to award a contract for the development and implementation of a video distribution system to transmit and share live video data from closed-circuit television cameras in the cities of Downey, Santa Fe Springs, Pico Rivera, Norwalk, South Gate, and La Mirada; the unincorporated area of South Whittier; and to allow expansion of the system to other areas.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that this project is exempt from the provisions of the California Environmental Quality Act.
2. Award the contract for the implementation of a Video Distribution System for the Traffic Management System for a contract amount not to exceed \$417,436, with Delcan Corporation, d.b.a. Delcan Consulting, located in La Mirada, California. This contract will commence upon your Board's approval and will be for the term of the implementation of the system to

include expansion, if any, and will continue until the expiration of the warranty period with two 2-year renewal option periods, not to exceed four additional option years. The total term of this contract will not go beyond June 8, 2016.

3. Authorize the Director of Public Works or her designee to expand the Video Distribution System for the Traffic Management System, in accordance with the negotiated fee schedule, to other areas, if determined by the Director of Public Works or her designee it is in the best interest of the County to do so, following the successful implementation in the Cities of Downey, Santa Fe Springs, Pico Rivera, Norwalk, South Gate, and La Mirada and the unincorporated area of South Whittier, in an amount not to exceed \$1,750,000, if in the opinion of the Director of Public Works, it is in the best interest of the County to do so.
4. Authorize the Director of Public Works or her designee to increase the contract sum, which includes the amount for expansion, if any, up to an additional 10 percent of the contract sum for additional work within the scope of the contract, if required. The total contract amount including the initial implementation, expansions, if applicable, renewal options, if any, and contingency, if required, is \$2,384,180.
5. Authorize the Director of Public Works or her designee to execute the contract; to renew the contract for each additional renewal options if, in the opinion of the Director of Public Works, the contractor has successfully performed during the previous contract period and the services are still required; to approve and execute amendments to incorporate necessary changes within the scope of work; and to suspend work if, in the opinion of the Director of Public Works, it is in the best interest of the County to do so.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended action is to develop and implement a video distribution system to transmit and share live video data from closed-circuit television cameras in the Cities of Downey, Santa Fe Springs, Pico Rivera, Norwalk, South Gate, and La Mirada; the unincorporated area of South Whittier; and to allow expansion of the system to other areas.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs that we provide Operational Effectiveness (Goal 1) and Community and Municipal Services (Goal 3). This service will provide improved infrastructure and enhance the quality of life in the affected communities. The contractor who has the specialized expertise to provide these services accurately, efficiently, timely, and in a responsive manner will support the Department of Public Works (Public Works) in meeting these goals.

FISCAL IMPACT/FINANCING

There will be no impact to the County General Fund.

The contract is for a not-to-exceed total amount of \$2,167,436. This includes \$417,436 for the system implementation in the Cities of Downey, Santa Fe Springs, Pico Rivera, Norwalk, South Gate, and La Mirada; the unincorporated area of South Whittier; and \$1,750,000 for the system expansion to other areas, if determined by the Director of Public Works or her designee it is in the best interest of the County to do so, all renewal options plus 10 percent of the total contract amount for additional work, which may arise within the scope and during the term of the contract. The total contract amount including the initial implementation, expansions, if applicable, renewal options, if any, and contingency, if required, is \$2,384,180.

Funding for this contract is included in the Fiscal Year 2008-09 Proposition C Local Return Fund Budget. Funds to finance the contract's future fiscal years, system expansion, option years, and 10 percent additional funding for contingencies will be requested through the annual budget process.

The County of Los Angeles Metropolitan Transportation Authority will reimburse approximately 84 percent of the cost of this contract from the 1995 Call for Projects Proposition C Discretionary Grant Funds for the Gateway Cities (Southeast Los Angeles) Traffic Signal Synchronization Corridors Project. The remaining 16 percent will be funded by the County's Proposition C Local Return revenue.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The contract will be in the form previously reviewed and approved by County Counsel (Attachment A). Prior to the Director of Public Works (Director) or her designee executing this contract, the contractor will sign and County Counsel will review it as to form. The recommended contract, with Delcan Corporation, d.b.a. Delcan Consulting, was solicited on an open-competitive basis and is in accordance with applicable Federal, State, and County of Los Angeles (County) requirements. The contractor is in

compliance with the Chief Executive Officer's and the Board of Supervisors' (Board) requirements.

Contingent upon the successful implementation to the Cities of Downey, Santa Fe Springs, Pico Rivera, Norwalk, South Gate, and La Mirada and the unincorporated area of South Whittier, the contract will allow system expansion to other areas. Some of the other areas may include San Gabriel Valley, South Bay, Pomona Valley, Interstate 710, and various additional key individual cities.

The contract contains terms and conditions supporting your Board's ordinances, policies, and programs, including but not limited to: County's Greater Avenues for Independence and General Relief Opportunities for Work Programs (GAIN and GROW), Board Policy No. 5.050; Contract Language to Assist in Placement of Displaced County Workers, Board Policy No. 5.110; Reporting of Improper Solicitations, Board Policy No. 5.060; Notice to Contract Employees of Newborn Abandonment Law (Safely Surrendered Baby Law), Board Policy No. 5.135; Contractor Employee Jury Service Program, Los Angeles County Code, Chapter 2.203; Notice to Employees Regarding the Federal Earned Income Credit (Federal Income Tax Law, Internal Revenue Service Notice 1015); Contractor Responsibility and Debarment, Los Angeles County Code, Chapter 2.202; the Los Angeles County's Child Support Compliance Program, Los Angeles County Code, Chapter 2.200; and the standard Board-directed clauses that provide for contract termination or renegotiation.

Data regarding the proposers' minority participation is on file with Public Works. The contractor was selected upon final analysis and consideration without regard to race, creed, gender, or color.

The recommended contractor is Delcan Corporation, d.b.a. Delcan Consulting. This contract will commence upon your Board's approval and will be for the term of the implementation of the system including the system expansion, if any, and will continue until the expiration of the warranty period. With your Board's delegated authority, the Director or her designee may renew the contract for two 2-year renewal options, which includes an extension to the warranty period. Total term of this contract will not go beyond June 8, 2016.

Proof of the required Comprehensive General and Automobile Liability insurance policies, naming the County as additional insured, evidence of Workers' Compensation insurance, and performance bond will be obtained from the contractor before any work is assigned.

Pursuant to the applicable memorandum of understanding, the Request for Proposals (RFP) for this contracted service was submitted on December 20, 2007, to the

appropriate union for review. The union has not asked to meet with Public Works regarding this solicitation.

Public Works has evaluated and determined that the Living Wage Program (Los Angeles County Code, Chapter 2.201) does not apply to this recommended contract, which is for services required on an as-needed, and intermittent basis; hence, this contract is not a Proposition A contract (Los Angeles County Code, Chapter 2.121).

This contract does not allow for a cost-of-living adjustment for the optional years.

ENVIRONMENTAL DOCUMENTATION

This service is categorically exempt from the provisions of the California Environmental Quality Act (CEQA). This service is within a class of projects that has been determined not to have a significant effect on the environment in that it meets the criteria set forth in Section 15301(c) of CEQA. These exemptions provide for modification of existing traffic signal systems.

CONTRACTING PROCESS

On December 20, 2007, Public Works solicited proposals from 94 independent contractors and community business enterprises to accomplish this work. Also, a notice of the RFP was placed on the County's bid website (Attachment B), and an advertisement was placed in the *Los Angeles Times*.

On February 7, 2008, three proposals were received. The proposals were first reviewed to ensure they met the minimum requirements in the RFP. All proposals having met these requirements were then evaluated by an evaluation committee consisting of staff from Public Works and the City of Downey. The committee's evaluation was based on criteria described in the RFP, which included the price, references, experience, work plan, and financial resources. Based on this evaluation, it is recommended that this contract be awarded to the highest-rated, responsive, responsible, and lowest-cost proposer, Delcan Corporation, d.b.a. Delcan Consulting.

Public Works utilized the consensus scoring methodology to evaluate the proposals received in response to the RFP for this service. Public Works followed County procedures in effect at the time of the evaluation, which was prior to your Board passing Agenda Item 39-A on November 25, 2008. Making an exception for contract evaluations already underway, Agenda Item 39-A ended the destruction of scoring related documents and suspended consensus-only scoring until your Board directs otherwise.

The Honorable Board of Supervisors
June 9, 2009
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IMPACT ON CURRENT SERVICES (OR PROJECTS)

The award of this contract will not result in the displacement of any County employees since this is a new service to Public Works.

CONCLUSION

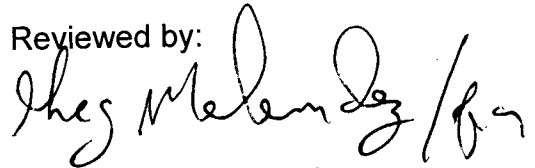
Please return one adopted copy of this letter to the Department of Public Works, Administrative Services Division.

Respectfully submitted,



GAIL FARBER
Director of Public Works

Reviewed by:



RICHARD SANCHEZ
Acting Chief Information Officer

GF:GZ:cg

Attachments (2)

- c: Chief Executive Office (Lari Sheehan)
County Counsel
Chief Information Office
Executive Office

AGREEMENT FOR
VIDEO DISTRIBUTION SYSTEM FOR THE TRAFFIC MANAGEMENT SYSTEM

THIS AGREEMENT is made and entered into on _____, 2009, by and between the County of Los Angeles, a subdivision of the State of California, a body corporate and politic ("County") and Delcan Corporation, d.b.a. Delcan Consulting, a Corporation ("Contractor").

RECITALS

WHEREAS, County desires to employ a contractor to deliver, implement, and integrate an advanced video distribution system (the "VDS") for the benefit of the County's Department of Public Works (the "Department") and various cities within the County; and

WHEREAS, County has determined that County personnel are not available to provide the special services required for the implementation of the VDS; and

WHEREAS, California Government Code Section 31000 permits the County Board of Supervisors to contract for special services with persons specially trained and experienced to perform the services; and

WHEREAS, in response to County's Request for Proposals issued with respect to the VDS, Contractor has submitted its proposal to County and desires and is prepared to provide services to County for VDS; and

WHEREAS, Contractor possesses the necessary special skills, knowledge, and technical competence and sufficient staffing to provide all components of the VDS; and

WHEREAS, Contractor is willing to accept responsibility for performing the services set forth herein for the compensation and in accordance with the terms and conditions set forth herein; and

WHEREAS, County and Contractor desire to enter into an Agreement for the design, development and implementation of the VDS.

NOW THEREFORE, in consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, County and Contractor agree as follows:

1. AGREEMENT AND INTERPRETATION

- 1.1 Agreement. This base document along with Exhibits A through O, and any schedules attached hereto or thereto collectively constitute and throughout and hereinafter are referred to as the "Agreement." This Agreement shall constitute the complete and exclusive statement of understanding between County and Contractor and supersedes any and all prior or contemporaneous agreements, written or oral, and all communications between the parties relating to the subject matter of this Agreement.

- 1.2 Interpretation. In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule, or the contents or description of any Task, subtask, Deliverable, service, or other Work or otherwise, such conflict or inconsistency shall be resolved by giving precedence first to this base document, and then to the Exhibits according to the following priority:
- 1.2.1. Exhibit A – Additional Terms and Conditions
 - 1.2.2. Exhibit B – Statement of Work
 - 1.2.3. Exhibit C – Schedule of Deliverables and Payments
 - 1.2.4. Exhibit C.1 – Form PW-2.2 Video Distribution System Expansion Area Cities
 - 1.2.5. Exhibit D – Minimum Server and Firewall Requirements
 - 1.2.6. Exhibit E – Task/Deliverable Acceptance Certificate
 - 1.2.7. Exhibit F – Functional Specifications
 - 1.2.8. Exhibit G – Contractors Employee Acknowledgement, Confidentiality & Assignment of Rights
 - 1.2.9. Exhibit H – Description of Software
 - 1.2.10. Exhibit I – Performance Bond
 - 1.2.11. Exhibit J – Hardware Procurement List
 - 1.2.12. Exhibit K – Third-Party Software
 - 1.2.13. Exhibit L – Internal Revenue Service Notice 1015
 - 1.2.14. Exhibit M – Safely Surrender Baby Law Posters
 - 1.2.15. Exhibit N – Contractor's Proposal
 - 1.2.16. Exhibit O – Request for Proposals (Incorporated by reference)
- 1.3 Additional Terms and Conditions. Without limiting the generality of Paragraph 1.1 (Agreement), attached hereto as Exhibit A (Additional Terms and Conditions), and incorporated by reference herein, are additional terms and conditions to this Agreement. Contractor acknowledges and agrees that it shall be bound by the additional terms and conditions enumerated in such Exhibit as if such terms and conditions were enumerated in the body of this base document.

- 1.4 Construction. The words "herein," "hereof," and "hereunder" and words of similar import used in this Agreement refer to this Agreement, including all annexes, attachments, Exhibits, and Schedules as the context may require. Wherever from the context it appears appropriate, each term stated in either the singular or plural shall include the singular and the plural. Whenever examples are used in this Agreement with the words "including," "for example," "e.g.," "such as," "etc.," or any derivation of such words, such examples are intended to be illustrative and not limiting.

2. DEFINITIONS

The following terms and phrases in quotation marks and with initial letters capitalized shall have the following specific meaning when used in this Agreement.

- 2.1 "Additional Services" has the meaning set forth in Paragraph 13.5 (Additional Services).
- 2.2 "Agreement" has the meaning set forth in Paragraph 1.1 (Agreement).
- 2.3 "Baseline Software" means Contractor program, as described in Exhibit H (Description of Software). Such Baseline Software is licensed by County pursuant to this Agreement, and is and becomes a component of the System Software.
- 2.4 "Board" means the Los Angeles County Board of Supervisors.
- 2.5 "Change Order" has the meaning set forth in Paragraph 6.1.6 (Change Order).
- 2.6 "Compatible" or "Compatibility" has the meaning set forth in Paragraph 17 (Minimum System Requirements; Compatibility).
- 2.7 "Contractor Hearing Board" has the meaning set forth in the then current Chapter 2.202.020 of Los Angeles County Code.
- 2.8 "Confidential Information" has the meaning set forth in Paragraph 3.1 of Exhibit A (Additional Terms and Conditions).
- 2.9 "Contractor Key Personnel" has the meaning set forth in Paragraph 4.3.3.
- 2.10 "Contractor Project Director" has the meaning set forth in Paragraph 4.1 (Contractor Project Director).
- 2.11 "Contractor Project Manager" has the meaning set forth in Paragraph 4.2 (Contractor Project Manager).
- 2.12 "Contractor Technical Staff" has the meaning set forth in Paragraph 4.3.3.

- 2.13 "County" has the meaning set forth in the Recitals.
- 2.14 "County Indemnitees" has the meaning set forth in Paragraph 13.1 (Indemnification) of Exhibit A (Additional Terms and Conditions).
- 2.15 "Customizations" means: the customizations developed by or on behalf of Contractor for the benefit of County. Such Customizations are and become a component of the System Software.
- 2.16 "County Project Director" has the meaning set forth in Paragraph 3.1 (County Project Director).
- 2.17 "County Project Manager" has the meaning set forth in Paragraph 3.2 (County Project Manager).
- 2.18 "CSCP certification" has the meaning set forth in Paragraph 29 of Exhibit A (Additional Terms and Conditions).
- 2.19 "Custom Programming Modifications" has the meaning set forth in Paragraph 13.5.1.
- 2.20 "Deficiency" has the meaning set forth in Paragraph 11.1 (Deficiencies).
- 2.21 "Deliverable" means an item identified as a numbered Deliverable in Exhibit B (Statement of Work), as well as the Specifications for any System Hardware, System Software or other materials to be purchased directly by County and not by Contractor.
- 2.22 "Department" has the meaning set forth in the Recitals.
- 2.23 "Deputy Director" means a Deputy Director of the County of Los Angeles Department of Public Works.
- 2.24 "Director" means the Director of the County of Los Angeles Department of Public Works, or his designee.
- 2.25 "Dispute Resolution Procedure" has the meaning set forth in Paragraph 2 (Dispute Resolution Procedure) of Exhibit A (Additional Terms and Conditions).
- 2.26 "Disabling Device" has the meaning set forth in Paragraph 12.7 of Exhibit A (Additional Terms and Conditions).
- 2.27 "Documentation" means any and all written materials, including user manuals, quick-reference guides, FAQs, training materials, testing protocols, methodologies, Specifications, and system designs and system design reviews that support the use and execution of the VDS, including the System Software.

- 2.28 "Effective Date" means the date the Agreement is executed by all parties and approved by the Board.
- 2.29 "Expansion Area Cities" as used herein, mean the cities, towns, municipalities and traffic forums located within the geographical borders of the County of Los Angeles that are included in the Expansion Area Tasks and identified on Form PW-2.2.
- 2.30 "Expansion Area Tasks" has the meaning set forth in Paragraph 21.
- 2.31 "Expansion Area; Statement of Work" has the meaning set forth in Paragraph 21.2 (Expansion Area; Statement of Work).
- 2.32 "Expansion Area; Go-Live" has the meaning set forth in Paragraph 21.4.1 (Expansion Area; Go-Live).
- 2.33 "Expansion Area; Final Acceptance" has the meaning set forth in Paragraph 21.4.2 (Expansion Area; Final Acceptance).
- 2.34 "Final Acceptance" has the meaning set forth in Paragraph 5.2.2 (Final Acceptance) and Task 6 (Acceptance Testing and Final System Acceptance) in Exhibit B (Statement of Work).
- 2.35 "Final Acceptance Date" has the meaning set forth in Paragraph 5.2.2 (Final Acceptance).
- 2.36 "Go-Live" has the meaning set forth in Paragraph 5.2.1 (Go-Live).
- 2.37 "Go-Live Date" has the meaning set forth in Paragraph 5.2.1 (Go-Live).
- 2.38 "Holdback Amount" has the meaning set forth in Paragraph 10.7 (Holdbacks).
- 2.39 "Hourly Labor Rate" means a fully burdened hourly rate, which includes a blended and allocated average of direct and indirect costs, overhead, administrative expenses, and any other incidental expenses attributable to each personnel hour worked.
- 2.40 "Infringement Claim" or "Infringement Claims" has the meaning set forth in Paragraph 14.1 of Exhibit A (Additional Terms and Conditions).
- 2.41 "Initial Project Area Cities" as used herein, means the Cities of Downey, Pico Rivera, Norwalk, South Gate, La Mirada, and Compton (collectively referred to as "Gateway Cities").
- 2.42 "Initial Term" has the meaning set forth in Paragraph 7 (Term).

- 2.43 "Interfaces" means the software mechanisms which allow the transfer of electronic data or software commands between computer systems, computer programs, or computer program modules which are (a) required to be provided by Contractor as Work under the Statement of Work, or (b) requested by County to be provided by Contractor as Additional Services pursuant to Paragraph 6.1.6 (Change Order) and Paragraph 13.5 (Additional Services), in each case, which Interfaces are and become a component of the System Software.
- 2.44 "Invoice Discrepancy Report" or "IDR" has the meaning set forth in Paragraph 10.5 (Invoice Discrepancy Report).
- 2.45 "Jury Service Program" has the meaning set forth in Paragraph 31.1 (Jury Service Program) of Exhibit A (Additional Terms and Conditions).
- 2.46 "License" has the meaning set forth in Paragraph 14.2 (License).
- 2.47 "Maximum Contract Sum" has the meaning set forth in Paragraph 8.2 (Prices and Fees).
- 2.48 "Natural Degeneration" has the meaning set forth in Paragraph 15.1 (Self-Escrow).
- 2.49 "Option Term" has the meaning set forth in Paragraph 7 (Term).
- 2.50 "Pool Dollars" has the meaning set forth in Paragraph 8.3 (Pool Dollars).
- 2.51 "Preapproved Subcontractor" has the meaning set forth in Paragraph 1.2 (Procedure for Subcontracting) of Exhibit A (Additional Terms and Conditions).
- 2.52 "Project Status Reports" has the meaning set forth in Paragraph 4.4 (Status Reports by Contractor).
- 2.53 "Source Code" means computer programming code in human readable form that is not suitable for machine execution without the intervening steps of interpretation or compilation, including the tools and developer kits that created and that enable creation of such code.
- 2.54 "Specifications" means the specifications for the VDS as set forth in this Agreement, the SOW, the Documentation and any approved Change Order, including Custom Programming Modifications.
- 2.55 "Statement of Work" or "SOW" means the Statement of Work, attached as Exhibit B (Statement of Work) to this Agreement.
- 2.56 "System Hardware" means any and all hardware that is required for County to enjoy and exercise fully its rights in respect of the VDS.

- 2.57 "System Software" means the Baseline Software and the computer programs, including Third-Party Software, conceived, created, or developed by Contractor in furtherance of all of Contractor's obligations pursuant to this Agreement, which includes the application programs, Customizations and Interfaces, and including any and all Updates, Custom Programming Modifications, extensions, and components provided from time to time.
- 2.58 "System Software Source Code" means all the Source Code for the System Software.
- 2.59 "Task/Deliverable Acceptance Certificate" means the certificate attached hereto as Exhibit E (Task/Deliverable Acceptance Certificate) issued by County upon Contractor's satisfactory completion of the applicable Tasks, subtasks, Deliverables and services in accordance with the requirements, Specifications, and timetables set forth in the Statement of Work.
- 2.60 "Tasks" means one or more major areas of work to be performed under this Agreement and identified as a numbered Task in the SOW.
- 2.61 "Tax" and "Taxes" means governmental fees (including license, filing, and registration fees) and all taxes (including franchise, excise, stamp, value added, income, gross receipts, gross revenue, import, export, sales, use, transfer, and property taxes), withholdings, assessments, levies, imposts, duties, charges, or interest thereon imposed.
- 2.62 "Term" has the meaning set forth in Paragraph 7 (Term).
- 2.63 "Third-Party Software" has the meaning set forth in Paragraph 16 (Third-Party Software).
- 2.64 "Updates" has the meaning set forth in Paragraph 13 (Warranty and Additional Services).
- 2.65 "VDS" means an advanced video distribution system capable of transmitting closed circuit television and vehicle image detection images within and between agencies within the County of Los Angeles using County specified communication protocols and all other Work required by this Agreement and the Statement of Work, including the System Software
- 2.66 "Warranty Period" has the meaning set forth in Paragraph 12.2.
- 2.67 "Work" means any and all Tasks, subtasks, Deliverables, Custom Programming Modifications, Additional Services and other items, materials and services performed, or delivered, by or on behalf of Contractor in order to develop and deliver to County a VDS, including the work required pursuant to this Agreement, the SOW, and all the Exhibits, Change Orders, and amendments hereto.

3. ADMINISTRATION OF AGREEMENT – COUNTY

3.1 County Project Director

3.1.1 County Project Director for this Agreement shall be the following person:

County of Los Angeles Department of Public Works
Traffic and Lighting Division
Attention: Jane White
P.O. Box 1460
Alhambra, CA 91802-1460
Telephone: (626) 300-2020
Fax: (626) 979-5319
E-mail: jwhite@dpw.lacounty.gov

3.1.2 County will notify Contractor in writing of any change in County Project Director.

3.1.3 Except as set forth in Paragraph 6 (Change Notices and Amendments), County Project Director is not authorized to make any changes in any of the terms and conditions of this Agreement and is not authorized to further obligate County in any respect whatsoever.

3.1.4 County Project Director shall have the right at all times to inspect any and all Work provided by or on behalf of Contractor.

3.2 County Project Manager

3.2.1 County Project Manager for this Agreement shall be the following person:

County of Los Angeles Department of Public Works
Traffic and Lighting Division
Attention: Mr. Ronald Castaneda
P.O. Box 1460
Alhambra, CA 91802-1460
Telephone: (626) 300-2036
Fax: (626) 979-5319
E-mail: rcastaneda@dpw.lacounty.gov

3.2.2 County shall notify Contractor in writing of any change in the name or address of County Project Manager.

3.2.3 County Project Manager shall be a resource for addressing the technical standards and requirements of this Agreement.

3.2.4 County Project Manager shall interface with Contractor Project Manager on a regular basis.

- 3.2.5 County Project Manager is not authorized to make any changes in any of the terms and conditions of this Agreement nor obligate County in any respect whatsoever.
- 3.2.6 County Project Manager will advise County Project Director as to Contractor's performance in areas relating to technical requirements and standards, County policy, information requirements, and procedural requirements.
- 3.2.7 County reserves the right to consolidate the duties of County Project Director, which duties are enumerated in Paragraph 3.1 (County Project Director), and the duties of County Project Manager, which duties are enumerated in this Paragraph 3.2, into one County position, and to assign all such duties to one individual who will act as County's liaison in all matters relating to this Agreement. County will notify Contractor no later than five (5) days prior to exercising its rights pursuant to this Paragraph 3.2.7.
- 3.3 County Personnel. All County personnel assigned to this Agreement shall be under the exclusive supervision of County. Contractor understands and agrees that all such County personnel are assigned only for the convenience of County.

4. ADMINISTRATION OF AGREEMENT – CONTRACTOR

4.1 Contractor Project Director

4.1.1 Contractor Project Director shall be the following person:

Delcan Corporation, d.b.a. Delcan Consulting
Dan Lukasik
14320 Firestone Blvd., Suite 100
La Mirada, CA 90638-5541
Telephone: (714) 562-5725
Fax: (714) 562-5728
E-mail: d.lukasik@delcan.com

4.1.2 Contractor Project Director shall be responsible for Contractor's performance of all of the Work and ensuring Contractor's compliance with this Agreement.

4.1.3 From the Effective Date through the Final Acceptance Date (or Expansion Area; Final Acceptance Date, if applicable), Contractor Project Director shall be available to meet and confer with County Project Director at least monthly, in person or by phone, to review project progress and discuss project coordination; thereafter, Contractor Project Director shall be available to meet and confer with County Project Director on such

schedule as may be reasonably requested by County Project Director, but not more frequently than monthly.

4.2 Contractor Project Manager

- 4.2.1 The Contractor Project Manager shall be the following person who shall be a full-time employee of Contractor:

Delcan Corporation, d.b.a. Delcan Consulting
Glenn Murphy
14320 Firestone Blvd., Suite 100
La Mirada, CA 90638-5541
Telephone: (714) 562-5725
Fax: (714) 562-5728
E-mail: g.murphy@delcan.com

- 4.2.2 Contractor Project Manager shall be responsible for Contractor's day-to-day activities as related to this Agreement and for reporting to County in the manner set forth in Paragraph 4.4 (Status Reports by Contractor).
- 4.2.3 From the Effective Date through the Final Acceptance Date (or Expansion Area; Final Acceptance Date, if applicable), Contractor Project Manager shall be available to meet and confer as necessary, but no less frequently than weekly, in person or by phone, with County Project Manager; thereafter, Contractor Project Manager shall be available to meet and confer with County Project Manager on such schedule as may be reasonably requested by County Project Manager, but not more frequently than monthly.

4.3 Approval of Contractor's Staff

- 4.3.1 In fulfillment of its responsibilities under this Agreement, Contractor shall utilize, and permit utilization of, only staff fully trained and experienced, and as appropriate, licensed or certified in the technology, trades, Tasks, and subtasks required by this Agreement. Contractor shall supply sufficient staff to discharge its responsibilities hereunder in a timely and efficient manner.
- 4.3.2 County approves the proposed Contractor Project Director and Contractor Project Manager listed in Paragraphs 4.1.1 and 4.2.1. County Project Director has the right to approve or disapprove any proposed replacements for the persons set forth in Paragraphs 4.1.1 and 4.2.1 as Contractor Project Director and Contractor Project Manager. If Contractor desires to replace, or if County, at its discretion, requires removal of, either Contractor Project Director or the Contractor Project Manager, Contractor

shall provide County with a resume of each such proposed replacement, and an opportunity to interview such proposed replacement prior to the proposed replacement performing any Work hereunder. County will not unreasonably delay its approval of a replacement of Contractor Project Director or Contractor Project Manager.

4.3.3 Contractor shall endeavor to assure continuity during the Term of Contractor personnel performing key functions under this Agreement, collectively, "Contractor Technical Staff," and together with Contractor Project Director and Contractor Project Manager, the "Contractor Key Personnel." Notwithstanding the foregoing, County Project Director may require removal of any Contractor Technical Staff.

4.3.4 In the event Contractor should desire to remove any Contractor Key Personnel from performing Work under this Agreement, Contractor shall provide County with notice at least fifteen (15) days in advance, except in circumstances in which such notice is not possible (e.g., a removal for cause or other egregious act), and shall work with County on a mutually agreeable transition plan so as to ensure project continuity, especially during any period prior to the Final Acceptance Date (or Expansion Are; Final Acceptance Date, if applicable).

4.3.5 Contractor shall promptly fill any vacancy in Contractor Key Personnel with individuals having qualifications at least equivalent to those of Contractor Key Personnel being replaced.

4.3.6 All staff employed by and on behalf of Contractor shall be adults who are legally eligible to work under the laws of the United States of America and the state of California. All Contractor Key Personnel and all other members of Contractor's staff who have direct contact with County (either by telephone, electronic or written correspondence, or in person) shall be fluent in both spoken and written English.

4.4 Status Reports by Contractor. In order to control expenditures and to ensure the reporting of all Tasks, subtasks, Deliverables, services, and other Work provided by Contractor, Contractor Project Director shall provide County Project Director and County Project Manager with monthly written reports ("Project Status Reports") as described in Task 1.3 (Project Reports) of the SOW.

5. WORK; APPROVAL AND ACCEPTANCE

5.1 General. All Tasks, Subtasks, Deliverables, including final Documentation, items, services and other Work provided by Contractor, including Additional Services utilizing Pool Dollars, must be prepared and provided solely as specified under this Agreement and must receive the written approval of County Project Director in order to qualify for payment. In respect of a Documentation

Deliverable which is titled "draft" in Exhibit B (Statement of Work), and subject in all instances to any Holdback Amounts, County shall pay Contractor fifty percent (50%) of the invoiced cost allocated to such draft Documentation Deliverable upon Contractor's submission to County of the draft Documentation Deliverable, and the remaining fifty percent (50%) upon County's written approval of the draft Documentation Deliverable, as evidenced by County Project Director's countersignature to the Task/Deliverable Acceptance Certificate. All other Deliverables, including Deliverables titled "final" in Exhibit B (Statement of Work), submitted to County for review and approval shall be approved or disapproved as set forth herein. Upon completion of particular Tasks, including all applicable subtasks, Deliverables, services, and other Work to be provided by Contractor pursuant to this Agreement, including the Statement of Work and any executed Change Order, Contractor shall submit a Task/Deliverable Acceptance Certificate in the form attached as Exhibit E (Task/Deliverable Acceptance Certificate) to County Project Director, together with any supporting documentation reasonably requested by County, for County Project Director's written approval. Unless a shorter or longer time period is specified in respect of a particular Task or Deliverable, County Project Director shall endeavor reasonably to approve or disapprove each Task or Deliverables within thirty (30) days of Contractor submitting an applicable Task/Deliverable Acceptance Certificate. Contractor acknowledges that notwithstanding anything herein to the contrary it must complete all Work required to complete and deliver to County a VDS. All Work shall be completed in a timely manner and in accordance with the requirements and Specifications set forth in the SOW, and must have the written approval of County Project Director, as evidenced by County Project Director's countersignature to the applicable Task/Deliverable Acceptance Certificate. In no event shall County be liable or responsible for payment respecting a particular Task prior to execution of the Task/Deliverable Acceptance Certificate for such Task.

5.1.1 Optional Work. Notwithstanding the provisions of this Paragraph 5 (Work; Approval and Acceptance), Task 8 (Map Based Web Page) and Task 9 (Additional Components) of Exhibit B (Statement of Work) are optional Tasks, and Contractor shall not commence Work on such Tasks unless and until County and Contractor mutually agree in writing that Contractor shall proceed with such Work. If County Project Director believes in good faith that such Work can be performed and provided for less than the amount set forth for such Task under Exhibit C (Schedule of Deliverables and Payments), County is entitled to request, and the parties thereafter shall negotiate reasonably and in good faith the fixed price payable for such Work. In no event, however, shall County be obligated to pay more for such Work than the amount originally agreed upon under this Agreement.

5.2 Specific Approval and Acceptance.

- 5.2.1 Go-Live. Contractor shall achieve Go-Live on or before the date that is 32 weeks from the date County issues its notice to proceed under this Agreement. Contractor shall achieve "Go-Live" upon successful completion of all the following: (a) its completion and delivery of all Tasks and Deliverables associated with the Go-Live requirements (including installing and implementing all System Software) set forth in Exhibit B (Statement of Work); (b) successful implementation of all functions and features has been verified by Contractor; and (c) County Project Director has provided Contractor with written approval, as evidenced by County Project Director's countersignature on all applicable Task/Deliverable Acceptance Certificates (including the Task/Deliverable Acceptance Certificate applicable to Go-Live), of all such Work (the date of satisfaction of the foregoing, including written approval thereof shall be referred to as the "Go-Live Date").
- 5.2.2 Final Acceptance. Contractor shall achieve Final Acceptance on or before the date that is 52 weeks from the date County issues its notice to proceed under this Agreement, provided that such date may be extended in accordance with Paragraph 6 (Change Notices and Amendments). Contractor shall achieve "Final Acceptance" upon successful completion of all the following: (a) its completion and delivery of all Tasks, subtasks, Deliverables, services, and testing protocols associated with the Final System Acceptance requirements set forth in the Statement of Work; (b) successful implementation of all functions and features of all phases and successful achievement of all testing protocols has been verified by Contractor; (c) County Project Director has provided Contractor with written approval, as evidenced by County Project Director's countersignature on the applicable Task/Deliverable Acceptance Certificate, of all such work; (d) all such work has been provided, installed, and operates in County's production environment with no Deficiencies for no less than two (2) thirty (30) day periods following the completion of Task 6 (Acceptance Testing and Final System Acceptance) of Exhibit B (Statement of Work); and (e) County Project Director has provided Contractor with written approval, as evidenced by county's Project Director's countersignature on the applicable Task/Deliverable Acceptance Certificate, of Contractor's achievement of Final Acceptance (the date of satisfaction of the foregoing, including written approval thereof shall be referred to as the "Final Acceptance Date").

6. CHANGE NOTICES AND AMENDMENTS

No representative of either County or Contractor, including those named in this Agreement, is authorized to make any changes in any of the terms, obligations, or conditions of this Agreement, except through the procedures set forth in this Paragraph 6.

6.1.1 General. County reserves the right to change any portion of the Work required under this Agreement, or amend such other terms and conditions, as may become necessary. Any such revision shall be accomplished in the following manner:

6.1.2 For any change which does not materially affect the Statement of Work, period of performance, payments, or any other term or condition included under this Agreement, a Change Order shall be executed by both County Project Director and Contractor Project Director.

6.1.3 Without limiting Paragraph 6.1.4, for any (a) Additional Services, or (b) any other change related solely to the Statement of Work, period of performance, or schedule or amount of payments, and provided such Additional Services or change is to be effected through the use of, and will not exceed, the available Pool Dollars, then in either instance a Change Order shall be mutually agreed upon and executed by both the Director and Contractor Project Director.

6.1.4 For any change (a) that materially affects any term or condition in this Agreement, or (b) the cost for which would exceed the Pool Dollars, then a negotiated amendment to this Agreement shall be executed by the Board and Contractor.

6.1.5 Notwithstanding any other provision of this Paragraph or Paragraph 6 (Termination for Convenience; Suspension) of Exhibit A (Additional Terms and Conditions), the Director shall take all appropriate action to carry out any orders of the Board relating to this Agreement, and, for this purpose, the Director is authorized to: (i) issue written notice(s) of partial or total termination or suspension of this Agreement pursuant to Paragraph 6 (Termination for Convenience; Suspension) of Exhibit A (Additional Terms and Conditions) without further action by the Board, and/or (ii) prepare and sign Amendments to this Agreement which reduce the Statement of Work and the Maximum Contract Sum without further action by the Board.

(i) Such notices of partial or total termination shall be authorized under the following conditions:

(a) Notices shall be in compliance with all applicable federal, state and County laws, rules, regulations, ordinances, guidelines, and directives.

- (b) Director shall obtain approval of Board and County Counsel for any notice.
 - (ii) Such amendments shall be authorized under the following conditions:
 - (a) Notices shall be in compliance with all applicable federal, state and County laws, rules, regulations, ordinances, guidelines, and directives.
 - (b) The Board has appropriated sufficient funds for purposes of such Amendments.
 - (c) Director shall obtain approval of County Counsel and County CIO for any Change Notice.
 - (iii) Director shall file a copy of all amendments with the Executive Office of the Board within fifteen (15) days after execution of each amendment.
- 6.1.6 Notwithstanding any other provision of this Paragraph 6 (Change Notices and Amendments), to the extent that extensions of time for Contractor performance do not impact either the Statement of Work or cost of this Agreement, County Project Director, in its discretion, may grant Contractor extensions of time in writing for the Work listed in the SOW or otherwise in this Agreement provided such extensions shall not cause Contractor to fail to achieve Go-Live and Final Acceptance by the dates required therefore, or extend the Term of this Agreement.
- 6.2 Change Order. Any "Change Order" proposed or executed by the parties shall include, unless waived in writing by County Project Director:
- 6.2.1 A quotation of a "not to exceed" price for completion and delivery of the requested Work, including a proposed Task and Deliverable completion schedule and a monthly budget of anticipated expenditures (including labor expenses calculated using the Hourly Labor Rates for personnel time);
 - 6.2.2 An accounting of the cost savings to be realized by County from the nonperformance of any Work that is to be supplanted by the Work to be performed under the Change Order;
 - 6.2.3 Contractor staff level recommended for completion of the applicable Work;
 - 6.2.4 An estimated personnel hours for completion of the requested Work;
 - 6.2.5 To the extent Custom Programming Modifications are requested, functional System Software Specifications;

- 6.2.6 Final delivery date for completed Work, including any post-delivery acceptance period as may be applicable;
- 6.2.7 If applicable, a revised Task and Deliverable completion schedule under the SOW for the remaining Work (i.e., other than the Work requested under the Change Order); and
- 6.2.8 A description of and Contractor's cost of any applicable hardware, third-party software, or other materials required to complete the requested Work.
- 6.3 Duration of Contractor's Change Order Price Quotation. Contractor's quotations under the proposed Change Order, including the "not to exceed price" under Paragraph 6.2.1, shall be valid for ninety (90) days from the date of its submission.
- 6.4 Change Order Dispute Resolution. In the event the parties fail to agree on the amount to be paid by County for the Work requested pursuant to a Change Order, County may, upon notice to Contractor, elect to direct Contractor to commence performing such Work (and Contractor agrees to commence performing such Work) and resolve the dispute over amounts owed to Contractor in accordance with the Dispute Resolution Procedure. To give effect to the preceding sentence, however, County agrees to pay and will pay the undisputed portion of such fees in accordance with the procedures set forth in Paragraph 8.1 (General) and Paragraph 10 (Invoices and Payments).
- 6.5 Change Order Audit. County is entitled to audit, in accordance with Paragraph 39 (Records and Audits) of Exhibit A (Additional Terms and Conditions), Contractor's compliance with Paragraph 6.1.6 (Change Order) in respect of Work performed pursuant to a Change Order.

7. TERM

The term of this Agreement shall commence upon the Effective Date and shall continue until the expiration of the Warranty Period and shall include all system expansions, if applicable, unless terminated earlier in whole or in part, as provided in this Agreement (the "Initial Term"). County, through action taken by the Board, has the option, upon notice to Contractor no later than fifteen (15) days prior to the end of the then current period of the Term, to extend the term of this Agreement for additional two (2) year periods, which additional periods shall not, in total, exceed four (4) additional years (each an "Option Term"). If in effect, the Warranty Period shall not extend beyond year four (4) of the Option Terms. If additional time is required to complete Expansion Area Tasks or an extension of time is necessary to complete the Warranty Period beyond June 8, 2016, Director shall obtain approval of the Board. Contractor shall notify County Project Manager and County Project Director when the Initial Term, or when

each Option Term, as the case may be, is within six (6) months from the expiration of the Initial Term, or such Option Term, as the case may be, as provided for in this Paragraph 7 (Term). As used herein, the "Term" shall mean the Initial Term, including any system expansions, if applicable, and if extended, each Option Term, as the case may be.

8. PRICES AND FEES

- 8.1 General. Attached to this Agreement as Exhibit C (Schedule of Deliverables and Payments) is a schedule of all fees applicable to this Agreement, along with a payment schedule for completion of Work beginning on the Effective Date and continuing through the Term.
- 8.2 Maximum Contract Sum. The "Maximum Contract Sum" under this Agreement shall be the total monetary amount that would be payable by County to Contractor for supplying the VDS and all Work, including the System Hardware, System Software and Pool Dollars under this Agreement for the Term. The Maximum Contract Sum for this Agreement, including applicable Taxes, authorized by County hereunder shall in no event, expressly or by implication, exceed \$417,436 for the initial VDS system implementation, and \$1,750,000 million to expand the VDS system, if applicable, or such greater amount as the Board may approve, and shall be allocated as set forth in Exhibit C (Schedule of Deliverables and Payments) and Form PW-2.2 (Schedule of Prices for Video Distribution System Expansion Area Cities) which allocation shall include an itemization of the amount to be paid for: (a) license fee for the System Software, (b) Customizations, if applicable, (c) Interfaces, if applicable, (d) System Software implementation, (e) applicable Taxes, (f) Pool Dollars, and (g) applicable Hourly Labor Rates. Contractor shall perform and complete all Work required of Contractor by this Agreement in exchange for the amounts to be paid to Contractor as set forth in this Agreement but in any event, not in excess of the Maximum Contract Sum. Contractor acknowledges and agrees that the Maximum Contract Sum is an all-inclusive, not-to-exceed price, that is an agreed upon assessment of the amount to be paid by County to Contractor in exchange for Contractor delivering to County, and County accepting, within the required delivery schedule a VDS. Contractor further acknowledges that the Specifications set forth in the Statement of Work are functional Specifications and that it is Contractor's responsibility to design, achieve and timely deliver a VDS. Notwithstanding any provision of this Agreement to the contrary, Contractor is not obligated to perform Work under Change Orders if Pool Dollars are not available to pay for such Work.
- 8.3 Pool Dollars. Exhibit C (Schedule of Deliverables and Payments) includes the aggregate pool dollars available for Change Orders or for the purchase by County of Additional Services in accordance with Paragraph 13.5 (Additional Services) (collectively, "Pool Dollars"). Contractor acknowledges that, as of the

Effective Date, no Change Orders have been executed and no Additional Services have been requested by County.

8.4 Delivery of System Software; Taxes.

8.4.1 Contractor agrees that all System Software and Documentation, including all Updates and Custom Programming Modifications, shall be delivered (a) solely in electronic form (e.g., via electronic mail or internet download), or (b) personally by Contractor staff who may load the System Software and Documentation onto County's hardware but who will retain possession of all originals and copies of such tangible media (e.g., CD-ROM, magnetic tape, printed manuals) used to deliver the System Software and Documentation to County. Contractor, including Contractor's subcontractors, shall not deliver or provide any tangible items to County, and County will not accept delivery of any of the same. Without limiting the generality of the foregoing, Contractor shall not deliver or provide any System Software, Documentation, training materials, or Warranty Services on magnetic, optical, print or other tangible media under this Agreement.

8.4.2 County acknowledges that the amounts payable by County to Contractor under this Agreement do not include Taxes for products or services provided by Contractor hereunder. County shall be solely responsible for any Taxes, other than Taxes based on Contractor's income or gross revenue, properly charged or assessed on amounts payable thereunder by County to Contractor, except that Contractor acknowledges that it is responsible for any Tax liability arising as a result of Contractor's breach of any obligations under this Agreement, including this Paragraph 8.4 (Delivery of System Software; Taxes).

9. COUNTY'S OBLIGATION FOR FUTURE FISCAL YEARS

Notwithstanding any other provision of this Agreement, either expressly or by implication, County shall not be obligated for Contractor's performance hereunder or by any provision of this Agreement during any of County's future fiscal years unless and until County's Board appropriates funds for this Agreement in County's budget for each such future fiscal year. In the event that funds are not appropriated for this Agreement, then this Agreement shall terminate as of June 30 of the last fiscal year for which funds were appropriated and such termination shall be deemed a termination for convenience pursuant to Paragraph 6 (Termination for Convenience) of Exhibit A (Additional Terms and Conditions). County shall endeavor to notify Contractor in writing of any such nonappropriation of funds at the earliest possible date.

10. INVOICES AND PAYMENTS

10.1 Approval of Invoices. All invoices submitted by Contractor for payment must have the written approval of County Project Director, as evidenced by County

Project Director's countersignature to the applicable Task/Deliverable Acceptance Certificate, prior to any payment thereof. In no event shall County be liable or responsible for any payment prior to such written approval.

- 10.2 Submission of Invoices. Contractor shall invoice County upon completion of Tasks, subtasks, Deliverables, and services and other Work which are specified in this Agreement, Exhibit B (Statement of Work), Exhibit C (Schedule of Deliverables and Payments), and any Change Orders, as applicable, and which have been approved in writing by County pursuant to Paragraph 5 (Work; Approval and Acceptance). Except with regard to Documentation Deliverables which are titled "draft" in Exhibit B (Statement of Work), which shall be invoiced as described in Paragraph 8.1 (General), Contractor agrees not to submit any invoice for payment until County has approved in writing the Work for which payment is claimed. County will endeavor reasonably to process each invoice received from Contractor within thirty (30) days. All invoices and supporting documents under this Agreement shall be submitted in duplicate to the following address:

County of Los Angeles Department of Public Works
Fiscal Division, 7th Floor
Accounts Payable Section
P.O. Box 7508
Alhambra, CA 91803-7508

- 10.3 Detail. Each invoice submitted by Contractor shall include:

- 10.3.1 The Tasks, subtasks, Deliverables, services, or other Work as described in Exhibit B (Statement of Work), Exhibit C (Schedule of Deliverables and Payments), and any Change Order, as applicable, for which payment is claimed.
- 10.3.2 A copy of all applicable Task/Deliverable Acceptance Certificates.
- 10.3.3 If the invoice is for Additional Services or any other Work for which Pool Dollars will be utilized, a copy of the applicable Change Order, executed by the applicable representative of County, a copy of the Task/Deliverable Acceptance Certificate evidencing County's approval of such Work, and any additional supporting documentation reasonably requested by County. The invoice further shall include the cumulative amount of Pool Dollars charged to County to date, and the remaining Pool Dollars available for use in connection with future Additional Services or other Change Orders.
- 10.3.4 If applicable, the amount due under Task 1 (Project Management) of Exhibit B (Statement of Work), which shall be the lesser of: (i) the maximum amount for Task 1 as enumerated in Exhibit C (Schedule of

Deliverables and Payments), or (ii) the total cost of Work performed for the invoiced period. The total cost of Work performed shall be calculated by multiplying the amount of hours worked by the applicable Rates set forth in Attachment 2 (Contractor's Applicable Hourly Labor Rates) to Exhibit C (Schedule of Deliverables and Payments).

- 10.3.5 Indication of the maximum amount remaining under Task 1 (Project Management) of Exhibit B (Statement of Work), which shall equal: (i) the maximum amount available for Task 1 as enumerated in Exhibit C (Schedule of Deliverables and Payments), less (ii) the cumulative cost accrued for Work performed under Task 1 (Project Management) of Exhibit B (Statement of Work) to date.
- 10.3.6 Indication of the applicable Holdback Amount and the cumulative Holdback Amount accrued under the Agreement.
- 10.3.7 Indication of any applicable withholds or credits due to County under the terms of this Agreement or reversals thereof, including credits assessed in accordance with Paragraph 10.8 (Credits to County).
- 10.4 No Partial or Progress Payments. Contractor shall be entitled to payment in respect of a Task or Deliverable, or other Work, only upon successful completion by Contractor and approval by County of such Task or Deliverable, or other Work. Except with regard to Documentation Deliverables which are titled "draft" in Exhibit B (Statement of Work), which shall be invoiced as described in Paragraph 8.1 (General), which shall be invoiced as described in Paragraph 10.2 (Submission of Invoices), no partial or progress payments towards anticipated or substantial completion of Tasks or Deliverables, or other Work will be made under this Agreement.
- 10.5 Invoice Discrepancy Report. County Project Director or County Project Director's designee shall review all invoices for any discrepancies and provide an "Invoice Discrepancy Report" (or "IDR"), orally or in writing, to Contractor within fifteen (15) days of receipt of invoice if payment amounts are disputed. Contractor shall review the disputed charges and issue a corrected invoice or send a written explanation detailing the basis for the charges within ten (10) days of receipt of the IDR from County Project Director or County Project Director's designee. If County Project Director or County Project Director's designee does not receive a written response within ten (10) days of County's notice to Contractor of an IDR, then County payment will be made, less the disputed charges.
- 10.6 County's Right to Withhold. In addition to any rights of County provided in this Agreement, or at law or in equity, County may, upon notice to Contractor, withhold payment for any Work while Contractor is in default hereunder, or at any time that Contractor has not provided County approved Work.

10.7 Holdbacks. County will hold back ten percent (10%) of the amount of each invoice approved by County pursuant to Paragraph 10 (Invoices and Payments) and ten percent (10%) of the amount of each invoice for Additional Services approved by County under Paragraph 13.5 (Additional Services) (collectively, the "Holdback Amount"). The cumulative amount of such holdbacks shall be due and payable to Contractor upon the first working day following the expiration of the Warranty Period, subject to adjustment for any amounts arising under this Agreement owed to County by Contractor, including, but not limited to, any amounts arising from Paragraphs 10.5 (Invoice Discrepancy Report), 10.6 (County's Right to Withhold), 10.8 (Credits to County), and any partial termination of any Task, Subtask, or Deliverable set forth in the Statement of Work as provided hereunder. The provisions of Paragraph 10.6 (County's Right to Withhold) are applicable to payment for Expansion Area Tasks.

10.8 Credits to County

10.8.1 In an increasingly mobile society, it is critical to improve traffic flow through multiple jurisdictions within the County of Los Angeles in an effort to enhance mobility, relieve traffic congestion and increase air quality. To meet these goals, County is implementing a Countywide information exchange network that will provide continuous monitoring of traffic conditions and traffic signal operations, as well as enable traffic signal timing to be controlled and coordinated remotely to adjust to actual traffic conditions. It will also allow for the exchange of traffic data and information among different agencies within the County of Los Angeles. One component of this data exchange involves the distribution of camera images across multiple jurisdictions. The VDS is said component of the information exchange network, and is being administered by County for the unincorporated areas of the County of Los Angeles as well as certain agencies within the County. Because many agencies need to be brought online in a timely manner, time is of the essence to implement the VDS. Any delay in the completion and delivery of the VDS decreases the efficiency and value of both the VDS and the information exchange network. County and Contractor have identified the key Deliverables set forth in Paragraph 10.8.3, Contractor's timely completion and delivery of which will ensure County receives, and is able to implement, the VDS in a timely fashion, and therefore improve mobility, relieve traffic congestion and enhance air quality in the County of Los Angeles. If Contractor fails to complete and deliver such Deliverables by the dates set forth in Paragraph 10.8.2, it is mutually agreed that such delay increases the likelihood that Contractor will not complete and deliver the VDS in a timely manner, and therefore decreases County's ability to use the VDS to achieve its goals.

10.8.2 County shall be entitled to credits arising from Contractor's noncompliance with its obligations relating to any of the following Tasks:

- (i) Deliverable 5a Installed VDS per Project requirements and as defined in Task 3 Work Plan; and
- (ii) Task 6.b – Final Acceptance Test Report.

10.8.3 Such credits will be calculated according to the following rules:

- (i) Deliverables not properly completed within thirty (30) working days of the Deliverable due date, as specified in Exhibit C (Schedule of Deliverables and Payments), shall entitle County to a credit of five percent (5%) of the actual cost of such Deliverable, as set forth in Exhibit C (Schedule of Deliverables and Payments).
- (ii) The credit shall be increased by one percent (1%) of such cost each working day the Deliverable is late beyond the thirty (30) working days.

10.8.4 Deliverables shall not be considered late if their delay is due to circumstances above and beyond the control of Contractor, including but not limited to, (i) the failure of County or other impacted jurisdictions to provide comments within the timeframes set forth in Exhibit C (Schedule of Deliverables and Payments), and (ii) the failure of an approved subcontractor to complete work in accordance with the timeframes set forth in the statement of work attached to such subcontract, provided Contractor has filed a timely Notice of Delay pursuant to Paragraph 15 (Notice of Delay) of Exhibit A (Additional Terms and Conditions) in respect of such circumstance. County may apply the full amount of any credit hereunder to offset and reduce any payments owing hereunder by County at any time by the full amount of such credit.

11. DEFICIENCIES

- 11.1 Deficiencies. As used herein, the term "Deficiency" shall mean and include, as applicable to any Work provided by or on behalf of Contractor to County: any malfunction, error, or defect in the design, development, or implementation of Work; any error or omission, or deviation from the Specifications or mutually agreed upon industry standards, or any other malfunction or error (other than a defect, error, omission or deviation to the Customizations or Interfaces caused by County's modification of the Customizations Source Code), including the provision of negligent workmanship, which results in the VDS, in whole or in part, not performing in accordance with the provisions of this Agreement, including Exhibit B (Statement of Work), as determined by County Project Director, which determination shall be subject to the Dispute Resolution Procedures set forth in Paragraph 2 (Dispute Resolution Procedures) of Exhibit A (Additional Terms and Conditions).

- 11.2 Corrective Measures. County Project Director shall notify Contractor Project Director in writing, or if not practicable, orally to either Contractor Project Director or Contractor Project Manager, of any Deficiency. Upon the earlier of (a) notice (orally or in writing) from County, or (b) Contractor's discovery of such Deficiency, Contractor shall promptly commence corrective measures to remedy any Deficiency, and shall remedy such Deficiency. Contractor acknowledges that, under the terms of this Agreement, Contractor may be required to repair, replace or reinstall and test all or any part of the System Software, System Hardware (to the extent such hardware fails to achieve Compatibility with the VDS) or other material, or create an Update, in order to remedy a Deficiency.
- 11.3 Approval. No Deficiency shall be deemed remedied until all necessary remedial action has been completed and approved in writing by County Project Director in accordance with the procedures set forth in Paragraph 8.1 (General).

12. REPRESENTATIONS AND WARRANTIES

- 12.1 Contractor hereby represents, warrants and covenants to County that for the Term, the System Software shall be fully Compatible with and shall fully integrate, perform, and function with the System Hardware and the operating system software that conform to the specifications set forth in Exhibit F (Functional Specifications) and Exhibit B (Statement of Work).
- 12.2 As used in the Agreement, the "Warranty Period" means a period commencing on the Final Acceptance Date and continuing for a period of twenty-four (24) months thereafter. The Warranty Period shall also apply and commence on the applicable Expansion Area; Final Acceptance Date (if applicable) for the period of time specified in Paragraph 21.2 (Expansion Area; Statement of Work). The Contractor hereby represents, warrants and covenants to County that for the Warranty Period:
- 12.2.1 The System Software shall perform fully in accordance with the Specifications or any amendments thereto;
- 12.2.2 Contractor shall provide all Services necessary to correct all Deficiencies arising during the Warranty Period, but Contractor shall not charge, and County shall not pay, any additional fees for such services. Notwithstanding any provision of this Agreement, to the contrary, the obligations of Contractor under this Paragraph 12 (Representations and Warranties) shall continue until all Deficiencies arising during the Warranty Period have been corrected by Contractor.
- 12.2.3 The Contractor shall transfer all third-party System Hardware warranties to County or VDS network agencies or cities described in Exhibit B (Statement of Work) as appropriate prior to Final Acceptance (or the Expansion Area; Final Acceptance Date if applicable). County or VDS

network agencies or cities as appropriate shall be named as beneficiary in all warranty agreements. The System Hardware warranty period will be negotiated with the Contractor and third-party hardware providers if County or VDS network cities or agencies decide to purchase the System Hardware through the Contractor.

13. WARRANTY; AND ADDITIONAL SERVICES

- 13.1 Warranty Services. Contractor shall provide maintenance, support and warranty services (collectively, "Warranty Services") to County for the VDS in accordance with this Agreement, Exhibit B (Statement of Work) and Exhibit F (Functional Specifications).
- 13.2 Correction of Deficiencies; Maintenance. Warranty Services shall include, but shall not be limited to, the correction of any and all Deficiencies that occur during the Term of the Agreement. Correction of such Deficiencies shall be at no additional cost to County. If any component of the VDS requires maintenance services, the Contractor shall endeavor reasonably to provide such services at County's location (which may include the provision of such services remotely by Contractor).
- 13.3 Updates. Subject to the remainder of this Paragraph 13.3 (Updates), Warranty Services include: (i) any upgrades, updates, enhancements, revisions, new version releases, improvements, bug fixes, patches, and modifications, other than Custom Programming Modifications, to the System Software, (ii) any testing or modifications as may be necessary to maintain System Software functionality, including as modified by any Updates, with the current version release of operating software and System Hardware that are utilized by County as of the Effective Date, and (iii) any updates or modifications required during the Term in order for the System Software and the VDS to remain in compliance with applicable federal or state and local laws and regulations (collectively, "Updates"), which Updates shall be provided by Contractor to County at no additional cost. Any Update delivered by Contractor to County is deemed a part of the System Software and shall be included in the License granted to County pursuant to this Agreement.
- 13.4 System Hardware. Warranty Services includes the support of System Hardware to the extent such System Hardware fails to achieve Compatibility with the VDS.
- 13.5 Additional Services.
- 13.5.1 Subject to Paragraph 6 (Change Notices and Amendments), upon the written request of County Project Director made at any time and from time to time during the Term, Contractor shall provide to County "Additional Services," which include but are not limited to customizations or modifications to the System Software that are requested by County Project Director in order to create new functionality and customizations

or modifications not required of Contractor in order to deliver the VDS or included as part of Warranty Services (such custom programming is collectively referred to as "Custom Programming Modifications"). Additional Services may also include additional or refresher training beyond what is provided in Exhibit C (Schedule of Deliverables and Payments). Additional Services shall utilize available Pool Dollars under this Agreement, and in no event shall County be obligated to pay in excess of the then available Pool Dollars for Additional Services, nor shall Contractor be required to perform any Additional Services for which there are no Pool Dollars available to pay Contractor for such Additional Services. Additional Services, including Custom Programming Modifications, shall be treated by the parties as a change requiring the execution of a Change Order pursuant to Paragraph 6 (Change Notices and Amendments).

13.5.2 Upon County's request for Additional Services, Contractor shall provide County, within seven (7) days of receipt of such request, a proposed Change Order containing all the information requested under Paragraph 6.1.6 (Change Order). Approval of the Change Order and of the Work to be performed there under shall be in accordance with Paragraph 6 (Change Notices and Amendments).

13.5.3 Upon completion, delivery and acceptance by County of any Custom Programming Modifications, such Custom Programming Modifications shall become part of and be included in the System Software.

14. OWNERSHIP; LICENSE

14.1 Ownership. The Baseline Software, Interfaces and Customizations provided to County pursuant to this Agreement, other than Third Party Software, shall remain the property of Contractor, and all such Baseline Software, Interfaces and Customizations are subject to the License granted to County pursuant to this Paragraph 14 (Ownership; License).

14.2 License. Subject to Paragraph 14.1 (Ownership), Contractor grants to County and extends these rights to the Gateway Cities and Expansion Area Cities (if County expands VDS System to such areas), effective as of the Effective Date, a perpetual, nonexclusive license in respect of Contractor's interest in the System Software (the "License"): To use, install, integrate with other software, operate, and execute the System Software on an unlimited number of computers, servers, local area networks and wide area networks in order to communicate with an unlimited number of cameras, by an unlimited number of users, except that the use, operation, and execution of certain Third Party Software shall be subject to limitations on the number of concurrent users as set forth in Paragraph 16 (Third Party Software);

- 14.2.1 To permit agencies or cities to access, use, and conduct transactions with County using the System Software, or otherwise as may be necessary for the conduct by County, and more specifically the Department, of its business;
- 14.2.2 To archive and make sufficient numbers of copies of the System Software as is necessary for County to enjoy and exercise fully its rights under this License and this Agreement;
- 14.2.3 To use, modify, copy, and display the Documentation, as necessary or appropriate for County to enjoy and exercise fully the rights granted under this Agreement and the License;
- 14.2.4 To permit third party access to the System Software, the Documentation, the System Software Source Code, or any part thereof, as necessary or appropriate for County to enjoy and exercise fully the rights granted under this Agreement and the License, Additional Services or other support of the System Software; provided, however, without limiting County's rights pursuant to Paragraph 14.2.2 or Paragraph 14.2.5, County covenants and agrees that it shall not exercise any of the rights contained in this Paragraph 14.2.4 unless and until the occurrence of any act that causes or results in, or entitles County to, a release of the Source Code from escrow pursuant to Paragraph 15 (Source Code).
- 14.2.5 Fully-Paid Software License. Notwithstanding anything herein to the contrary, upon (i) the Final Acceptance Date (or Expansion Area; Final Acceptance Date, if applicable), and (ii) County's payment to Contractor of all approved invoiced amounts for said Work, this License is and shall be a fully paid, irrevocable License to the System Software and System Software Source Code, as modified by the Work performed under this Agreement, which License survives the termination or expiration of this Agreement for any reason.

15. SOURCE CODE

- 15.1 Self Escrow. Contractor shall deposit with County the System Software Source Code (other than Third Party Software Source Code). Such escrow deposits shall be made concurrent with the delivery to County of Tasks, subtasks, and Deliverables, as applicable, pursuant to the SOW. Contractor's duty to deposit the System Software Source Code with County shall continue throughout the Term. Except as provided in Paragraph 15.1.1 (County's Right to Verify Source Code), County shall hold the System Software Source Code in strict confidence and not use it for any purpose unless one of the conditions described in Paragraph 15.1.2 (Conditions for Release) has occurred which would permit County to use the System Software Source Code as provided in Paragraphs 15.1.3 (Release of System Software Source Code) and 15.1.4 (Use

and Possession of System Software Source Code). The parties acknowledge that as a result of the passage of time alone, the deposited System Software Source Code may be susceptible to loss of quality ("Natural Degeneration"). For the purpose of reducing the risk of Natural Degeneration, during the Term, Contractor shall deliver to County a new copy of all deposited System Software Source Code at least once every three (3) years. In the event the System Software Source Code or any part of it is destroyed or corrupted, upon County Project Director's request, Contractor shall provide a replacement copy of the System Software Source Code. Contractor shall deliver the replacement copy of the System Software Source Code within thirty (30) days of receipt of County Project Director's written request.

- 15.1.1 County's Right to Verify Source Code. Regardless of whether one of the Release Conditions occurs, County shall have the right to verify the relevance, completeness, currency, accuracy, and functionality of the System Software Source Code by, among other things, compiling the System Software Source Code and performing test runs for comparison with the System Software other than System Software which constitutes Third Party Software.
- 15.1.2 Conditions for Release. The System Software Source Code on deposit with County shall be released from escrow upon the earlier to occur of: (a) termination of this Agreement pursuant to Paragraph 4 (Termination for Insolvency) of Exhibit A (Additional Terms and Conditions); (b) termination by County pursuant to Paragraph 17 (Contractor Responsibility and Debarment) of Exhibit A (Additional Terms and Conditions); or (c) Contractor assigns such obligation to a third party approved in advance by County pursuant to Paragraph 38 (Assignment by Contractor) of Exhibit A (Additional Terms and Conditions).
- 15.1.3 Release of System Software Source Code. In the event of a claim to the System Software Source Code under this Paragraph 15.1.3, then County shall provide Contractor with a written notice outlining the facts upon which County bases its claim that a Release Condition has occurred. Contractor may contest County's right to use the Source Code pursuant to the Dispute Resolution Procedures set forth in Paragraph 2 (Dispute Resolution Procedures) of Exhibit A (Additional Terms and Conditions). If the Dispute Resolution Procedures result in disagreement between the president of Contractor and County as to whether a basis exists for any claim by County to the Source Code, and County continues to believe that such a basis does exist, then County may, in its sole discretion, give notice of such belief to Contractor, in which event County may, at any time on or after a date that is seven (7) days after the giving of such notice, utilize any or all of the System Software Source Code in the manner set forth in

Paragraph 15.1.4 (Use and Possession of System Software Source Code) below.

- 15.1.4 Use and Possession of System Software Source Code. Subject to the provisions of Paragraph 14.2, System Software Source Code obtained by County under the provisions of this Agreement shall remain subject to every License restriction, proprietary rights protection, and other County obligation specified in this Agreement. County may use System Software Source Code for the sole purpose as it is Licensed hereunder. When System Software Source Code is not in use, County agrees to keep such System Software Source Code in a locked, secure place. When System Software Source Code resides in a central processing unit, County shall limit access to its authorized employees and contractors who have a need to know in order to support the VDS.

16. THIRD-PARTY SOFTWARE

- 16.1 Contractor hereby represents and warrants that none of the System Software other than the third party software as specified in Exhibit K (Third-Party Software), is owned by third parties (the "Third-Party Software"). Contractor represents and warrants that it has not modified and shall not modify, nor does Contractor have any need to modify, Third-Party Software in order for the System Software to fully perform in accordance with all requirements of this Agreement. Contractor represents and warrants that all Third-Party Software is provided to County in the same unmodified form as received by Contractor from the applicable third party. Contractor represents and warrants that Third-Party Software shall, together with the remainder of the System Software, fully satisfy all requirements of the Agreement without the need for any modification of Third-Party Software by Contractor or otherwise.
- 16.2 County acknowledges that it may have to execute certain third party license agreements in respect of such Third Party Software. These third party license agreements shall be at no additional cost to County. To the extent that any such third party license agreement conflicts with this Agreement or in any way restricts County's full use and enjoyment of the System Software as contemplated herein, Contractor shall take all necessary action and pay all sums required for County fully to enjoy all the rights and benefits in respect of the System Software granted under this Agreement. Contractor shall promptly and at no cost to County, either: (1) obtain a license from the appropriate third party which shall enable Contractor to modify such Third Party Software, and Contractor shall provide all necessary modifications, or (2) to the extent that Contractor is unable to obtain such a license, provide an Update or alternative solution, which is functionally equivalent, in the sole determination of Contractor Project Manager and County Project Manager, in lieu of modifying such Third Party Software.

17. MINIMUM SYSTEM REQUIREMENTS; COMPATIBILITY

Exhibit F (Functional Specifications) and Exhibit B (Statement of Work) sets forth the minimum requirements for System Hardware and operating system software that are Compatible (as defined below) with the VDS, including any Custom Programming Modifications and Updates thereto, and are required for County to enjoy and exercise fully its rights in respect of the VDS. Such matrixes shall specify version Compatibility and shall provide Specifications for installation of the System Hardware and operating system software in order to achieve Compatibility with the System Software, along with recommended System Hardware make and model numbers. Contractor may request to inspect County's installation of the System Hardware or operating system software, provided that any such inspection, or lack thereof, shall not relieve Contractor of its obligations with respect to Paragraph 12 (Representations and Warranties) or Paragraph 13 (Warranty and Additional Services). As used herein, "Compatible" or "Compatibility" means that the applicable System Hardware and operating system software, as the case may be, as set forth in Exhibit F (Functional Specifications) and Exhibit B (Statement of Work) are capable of supporting, operating and otherwise performing all such System Hardware or operating system software anticipated functions when used in conjunction with the System Software, including any Customizations, Interfaces, Updates, and Custom Programming Modifications thereto.

18. CONTRACTOR'S OFFICES

Contractor's business offices are located at 14320 Firestone Blvd., Suite 100, La Mirada, CA 90638-5541. Contractor shall notify County of any change in its business address at least ten (10) calendar days prior to the effective date thereof.

19. PRODUCTION USE OF THE SYSTEM

Following installation by Contractor and prior to Final Acceptance (and the Expansion Area; Final Acceptance Date if applicable) by County, County shall have the right to use, in production mode, any completed portion of the System Software without any additional cost to County where County determines that it is desirable or necessary for County operations. Such production use shall not restrict Contractor's performance under this Agreement and shall not be deemed to be Contractor's achievement of Go-Live or Final Acceptance and/or Expansion Area; Go-Live and Expansion Area; Final Acceptance.

20. NOTICES

All notices or demands required or permitted to be given or made under this Agreement, unless otherwise specified, shall be in writing and shall be addressed to the parties at the following addresses and delivered: (1) by hand with signed receipt, (2) by first-class registered or certified mail, postage prepaid, (3) by facsimile or electronic mail transmission followed within (24) hours by a confirmation copy mailed by first-class registered or certified mail, postage prepaid, or (4) by overnight commercial carrier, with

signed receipt. Notices is deemed given at the time of signed receipt in the case of hand delivery, three (3) days after deposit in the United States mail as set forth above, on the date of facsimile or electronic mail transmission if followed by timely confirmation mailing, or on the date of signature receipt by the receiving part of any overnight commercial carrier delivery. Addresses may be changed by either party giving (10) days prior notice in accordance with the procedures set forth above, to the other party.

To County:

County of Los Angeles Department of Public Works
Traffic and Lighting Division
Attention Jane White
P.O. Box 1460
Alhambra, CA 91802-1460
Telephone: (626) 300-2020
Fax: (626) 979-5319
E-mail: jwhite@dpw.lacounty.gov

with a copy to Contractor:

Delcan Corporation, d.b.a. Delcan Consulting
Attention Dan Lukasik
Attention Glenn Murphy
14320 Firestone Blvd., Suite 100
La Mirada, CA 90638-5541

County Project Director shall have the authority to issue all notices or demands, which are required or permitted by County under this Agreement.

21. EXPANSION AREA TASKS

21.1 Upon the County Project Director's request, Contractor will expand the VDS to additional cities within the County.

21.2 Expansion Area; Statement of Work. Not later than 10 days from receipt of the written request of the County's Project Director, Contractor shall promptly prepare and provide each of the following:

- a. An Expansion Area; Statement of Work covering installation and configuration of additional hardware and System Software components of the cities identified in the Expansion Area, specifying each of the Tasks, Subtasks required in respect of such Tasks, Deliverables, specifications, requirements, and other documentation, as applicable;
- b. A Project Schedule including completion and delivery dates and review periods for such Subtasks and Deliverables;

- c. A schedule of the Hardware, including all applicable specifications therefore, required for the operation of the system in the applicable expansion area; and
 - d. A schedule of the Third Party Software to be provided by Contractor as part of the System Software as set forth in an Paragraph 16 (Third Party Software).
- 21.3 Contractor shall commence work on Expansion Area tasks only upon receipt of a written Notice to Proceed signed by the County's Project Director.
- 21.4 Expansion Area Tasks; Specific Approval and Acceptance
- 21.4.1 Expansion Area; Go-Live. If applicable, Contractor shall achieve Go-Live for the VDS within each Expansion Area on or before the date specified in the applicable Expansion Area; Schedule of Deliverables and Payments. Contractor shall achieve "Expansion Area; Go-Live" upon successful completion of all the following:
- a. Contractor has completed and delivered all Tasks and Deliverables associated with the Expansion Area; Go-Live requirements (including installing and implementing all System Software) set forth in the Expansion Area; Statement of Work;
 - b. Contractor has verified successful implementation of all functions and features; and
 - c. County Project Director has provided Contractor with written approval, as evidenced by County Project Director's countersignature on all applicable Task/Deliverable Acceptance Certificates (including the Task/Deliverable Acceptance Certificate applicable to Expansion Area; Go-Live), of all such Work (the date of satisfaction of the foregoing, including written approval thereof shall be referred to as the "Expansion Area; Go-Live Date").
- 21.4.2 Expansion Area; Final Acceptance. Contractor shall achieve Final Acceptance for the Expansion Area Tasks on the date specified in the applicable Expansion Area; Schedule of Deliverables and Payments, provided that such date may be extended in accordance with Paragraph 6 (Change Notices and Amendments). Contractor shall achieve "Expansion Area; Final Acceptance" upon occurrence of all the following:
- a. all Tasks, subtasks, Deliverables, services, and testing protocols associated with the Expansion Area; Final System Acceptance requirements set forth in the Expansion Area; Statement of Work have been completed and delivered;

- b. successful implementation of all functions and features of all phases and successful achievement of all testing protocols has been verified by Contractor;
- c. County Project Director has provided Contractor with written approval, as evidenced by County Project Director's countersignature on the applicable Task/Deliverable Acceptance Certificate, of all such work;
- d. all such work has been provided, installed, and operates in County's production environment with no Deficiencies for a period specified in Paragraph 21.2 (Expansion Area; Statement of Work); and
- e. County Project Director has provided Contractor with written approval, as evidenced by county's Project Director's countersignature on the applicable Task/Deliverable Acceptance Certificate, of Contractor's achievement of Expansion Area; Final Acceptance (the date of satisfaction of the foregoing, including written approval thereof shall be referred to as the "Expansion Area; Final Acceptance Date").

22. PERFORMANCE BOND

A faithful performance bond is required in a sum not less than \$417,435 payable to the County of Los Angeles, executed by a corporate surety admitted to transact business as a surety insurer in the State of California. (or by the surety's agent with a notarized copy of power of attorney). The admitted surety and its agent shall have sufficient bonding limitations to provide bonds in the amount required by this Contract. The bond shall be conditioned upon faithful performance of the terms and conditions of this Contract, for a period of one year commencing upon the Contract effective date, by Contractor in a manner that is satisfactory and acceptable to the County. At the discretion of the County, upon request by the County, the bond shall be renewed in a timely manner to provide for continuing liability in the above amount notwithstanding any payment or recovery thereon. Subject to County conditions and approval, a Certificate of Deposit or an irrevocable Letter of Credit payable to the County upon demand and in a sum not less than \$417,435 may be acceptable. Failure to Maintain Coverage - Failure by the Contractor to maintain the required security shall constitute a material breach of contract upon which the County may immediately terminate or suspend this Contract. The Contractor shall pay all security premiums, costs and incidentals.

23. ARM'S LENGTH NEGOTIATIONS

This Agreement is the product of an arm's length negotiation between Contractor and County. Each party has had at all times the opportunity to receive advice from independent counsel of its own choosing. Accordingly, this Agreement is to be

interpreted fairly as between the parties, and not strictly construed as against either party as drafter or creator.

24. SURVIVAL

The following Paragraphs of this Agreement shall survive its expiration or termination for any reason: 1, 2, 7, 8, 9, 10, 14, 15, 16, 20, 21, and 22, and all the terms and conditions set forth in Exhibit A (Additional Terms and Conditions).

[illegible]

IN WITNESS WHEREOF, the County has, by order of its Board of Supervisors, caused these presents to be subscribed by the Director of Public Works, and the Contractor has subscribed its name by and through its duly authorized officer, as of the day, month, and year first written above.

COUNTY OF LOS ANGELES

By _____
Director of Public Works

APPROVED AS TO FORM:

ROBERT E. KALUNIAN
Acting County Counsel

By _____
Deputy

DELCAN CORPORATION, d.b.a.
DELCAN CONSULTING

By _____
Its President

Type or Print Name

By _____
Its Secretary

Type or Print Name

Award information has not been added at this time.

Bid Information

Bid Number : PW-ASD704
Bid Title : VIDEO DISTRIBUTION SYSTEM FOR THE TRAFFIC MANAGEMENT SYSTEM (2007-IT033)
Bid Type : Service
Department : Public Works
Commodity : VIDEO AND AUDIO SURVEILLANCE SYSTEMS (CLOSED CIRCUIT TV), ACCESSORIES, AND PARTS
Open Date : 1/7/2008
Closing Date : 1/7/2008 10:00 AM
Notice of Intent to Award : [View Detail](#)
Bid Amount : \$ 500,000
Bid Download : Not Available
Bid Description : PLEASE TAKE NOTICE that Public Works requests proposals for a contract for the Video Distribution System for the Traffic Management System (2007-IT033). The total contract amount of this service is estimated to be \$500,000. If not enclosed with this letter, the Request for Proposals (RFP) with contract specifications, forms, and instructions for preparing and submitting proposals may be requested by accessing this link at

ftp://dpwftp.co.la.ca.us/solicitationdocuments/VideoDistribution.pdf or from Ms. Jeanette Arismendez at (626) 458 4050, Monday through Thursday, 7 a.m. to 5 p.m.

Minimum Requirement(s): Proposers must meet all minimum requirements set forth in the RFP document, including, but not limited to, Proposer must have experience in deploying a minimum of three Video Distribution Systems (VDS) for the communications between closed circuit television cameras (CCTV) and VDS and central facility (Traffic Management Center [TMC] or other control center). In addition, Proposer and managing employee must have at least three years experience in performing the type of service solicited.

A Proposers' Conference will be held on Monday, January 7, 2008, at 10 a.m. at Public Works Headquarters, 900 South Fremont Avenue, Alhambra, California 91803, in Conference Room B. ATTENDANCE BY THE PROPOSER OR AN AUTHORIZED REPRESENTATIVE AT THE CONFERENCE IS MANDATORY. Public Works will reject proposals from those whose attendance at the conference cannot be verified. Attendees should be prepared to ask questions at that time about the specifications, proposal requirements, and contract terms. After the conference, it may be impossible to respond to further requests for information.

The deadline to submit proposals is Wednesday, January 23, 2008, by 5:30 p.m. Please direct your questions to Ms. Arismendez at the number above.

Contact Name : Jeanette Arismendez
Contact Phone# : (626) 458-4050
Contact Email : jarismen@dpw.lacounty.gov
Last Changed On : 12/20/2007 4:42:36 PM

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CIO ANALYSIS

VIDEO DISTRIBUTION SYSTEM FOR THE TRAFFIC MANAGEMENT SYSTEM

CIO RECOMMENDATION:

☒ **APPROVE**
☐ **DISAPPROVE**

☐ **APPROVE WITH MODIFICATION**

Contract Type:

☒ **New Contract**
☐ **Sole Source Contract**

☐ **Contract Amendment**
☐ **Hardware Acquisition**

☐ **Contract Extension**
☐ **Other (SLA)**

New/Revised Contract Term:

Base Term: 3 Yrs.

of Option Yrs: 4

Contract Components:

☒ **Software**
☒ **Professional Services**

☒ **Hardware**

☒ **Telecommunications**

Project Executive Sponsor: Bill Winter, Assistant Deputy Director, Public Works

Budget Information :

Y-T-D Contract Expenditures	\$ 0
Maximum Contract Amount	\$ 2,384,180
Aggregate Project Amount	\$ 2,384,180

Project Background:

Yes	No	Question
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Is this project legislatively mandated?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project sub vented? The 1995 Call for Projects Proposition C Discretionary Grant Funds for the Gateway Cities Traffic Signal Synchronization Corridors Project. (84%)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Is this project/application applicable to (shared use or interfaced) other departments? If yes, name the other department(s) involved.

Strategic Alignment:

Yes	No	Question
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project in alignment with the County of Los Angeles Strategic Plan?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project consistent with the currently approved Department Business Automation Plan?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Does the project's technology solution comply with County of Los Angeles IT Directions Document?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Does the project technology solution comply with preferred County of Los Angeles IT and security Standards?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Has data for this contract and/or project been entered into the Information Technology Tracking System (ITTS)? The information will be entered into the system prior to Board approval.

Project/Contract Description:

Via this contract, the Department of Public Works' Traffic and Lighting Division will manage development and implementation of a video distribution system (VDS) which will transmit and electronically share live video data from approximately 136 closed circuit television (CCTV) cameras. The VDS will utilize an existing communications network to connect 108 existing cameras, as well as 28 new cameras being installed via other contracts, as components of the County's I-5/Telegraph Road Corridor and the I-105 Corridor Projects.

The first phase of the VDS project includes video distribution and remote control of "adjustable view" cameras in the following cities: Downey, Santa Fe Springs, Pico Rivera, Norwalk, South Gate, La Mirada, the unincorporated area of South Whittier, and the County's Department of Public Works. This initial phase is budgeted at \$417,436, and the Department anticipates completion within one year. Following implementation, the vendor will provide a 24-month warranty for the VDS.

Following completion of the initial phase, the Department may decide to expand the VDS to other areas, which may include San Gabriel Valley, South Bay, Pomona Valley, Interstate 710. A budget of \$1,750,000 has been established for this expansion; a completion timeframe for this portion of the contract services will be established once the Department's selects the areas.

The VDS project includes acquisition and installation of application and mapping servers in five of the Phase I agencies; acquisition and installation of field video encoders; and commercial off-the-shelf (COTS) software licensing and professional services.

Background:

The VDS is a component of the department's overall plan to implement Intelligent Traffic Management Systems throughout the County. This will be accomplished through multiple different contracts.. The vendor (Delcan) was selected through a competitive RFP, issued in December 2007. RFP proposals were evaluated using a consensus scoring methodology, which at the time was an acceptable scoring standard.

Project Justification/Benefits:

The VDS will provide live video from both 'fixed-view' and 'adjustable-view' closed circuit cameras located on various streets in the selected cities. The vendor's web-based software, NETworks Advanced Transportation Management System, enables agencies to share video, and allows traffic management personnel to remotely control the pan, tilt, and zoom features of the "adjustable-view" cameras.

Project Metrics:

The contract is deliverable-based and the scope of work reasonably describes service expectations as well as completion timeframes for the initial phase. No metrics are provided for the expansion phase. This scope of work and the associated deliverables/payment schedule will be developed prior to initiation of work.

Impact on Service Delivery on Department Operations, If Proposal Is Not Approved:

If the proposed contract is not approved, agencies will not have access to live video of traffic conditions at the designated intersections. This could negatively impact their ability to effectively manage traffic within these areas.

Alternatives Considered:

The vendor was selected via a competitive solicitation process.

Project Risks:

The Department is currently managing at least seven (7) other contracts for traffic management systems, and a number of these contracts also include deployment of CCTV systems. The associated risk is a potential duplication of effort and expenditures if these various projects are not effectively managed.

Also, due to the number and scope of the various traffic management system contracts, an additional potential risk is the Department's ability to successfully execute within the projected timeframes. If the Department is unable to keep pace with the multitude of projects, the planning and design work performed by the vendors becomes outdated and must be 'refreshed' before it can be used. These circumstances may extend the project beyond original timeframes, possibly impacting other traffic management projects, and increasing costs.

Risk Mitigation Measures:

The Chief Information Office has consulted with the Department regarding these risks. In response, the Department has strengthened several of their governance processes to ensure consistent and timely oversight of the traffic management projects.

Financial Analysis:

The maximum expenditure under this contract, through June 2016, is \$2,384,180. This includes the maintenance renewal options should the Department decide to use them:

Maintenance Renewal Options	Amount
Phase I	\$ 417,436
'Expansion' Phases	\$ 1,750,000
10% Contingency	\$ 216,744
Total	\$ 2,384,180

CIO Concerns:

None.

CIO Recommendations:

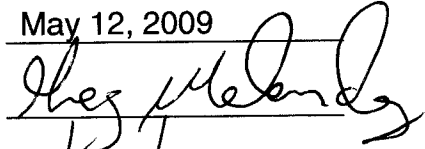
The Chief Information Office recommends Board approval of the proposed contract.

CIO APPROVAL

Date Received: May 4, 2009

Prepared by: Janette Parker

Date: May 12, 2009

Approved: 

Date: 5/21/2009